

AMENDED IN SENATE MARCH 15, 2010

AMENDED IN SENATE JULY 23, 2009

AMENDED IN ASSEMBLY MAY 19, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 417

Introduced by Assembly Member Beall

February 23, 2009

An act to amend, ~~repeal, and add Sections 11758.42, 11758.46, and 11839.2 of Section 11839.2 of, and to add and repeal Chapter 3.5 (commencing with Section 11758.50) of Part 1 of Division 10.5 of, the Health and Safety Code, relating to Medi-Cal.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 417, as amended, Beall. Medi-Cal Drug Treatment Program: ~~buprenorphine.~~ *buprenorphine pilot program.*

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law provides for the Medi-Cal Drug Treatment Program (Drug Medi-Cal), under which each county enters into contracts with the State Department of Alcohol and Drug Programs for the provision of various drug treatment services to Medi-Cal recipients, or the

department directly arranges for the provision of these services if a county elects not to do so. Existing law defines the services reimbursable under this program, and establishes contracting, billing, and reimbursement procedures governing this program.

~~This bill would, until January 1, 2015, add buprenorphine services to the list of Drug Medi-Cal services, when they are administered by a licensed narcotic treatment program and ordered or prescribed by a physician who complies with federal requirements and works under the license of the narcotic treatment program.~~

~~Under existing law, for purposes of Drug Medi-Cal, the department is required to establish a narcotic replacement therapy dosing fee for methadone and LAAM.~~

~~This bill would, until January 1, 2015, require the department to establish separate dosing fees for methadone, LAAM, and buprenorphine. The bill would also provide that for purposes of establishing the dosing fees, the department is required to include comprehensive services that include physician and medication services.~~

~~Under existing law, the department is responsible for licensing narcotic treatment programs to use replacement narcotic therapy in the treatment of addicted persons whose addiction was acquired or supported by the use of a narcotic drug or drugs, not in compliance with a physician and surgeon's legal prescription. Existing law authorizes licensed narcotic treatment programs to use methadone and LAAM for replacement narcotic therapy.~~

~~This bill would, until January 1, 2015, also authorize licensed narcotic treatment programs to use buprenorphine for replacement narcotic therapy.~~

~~This bill would provide that its provisions shall not be implemented if the Director of Health Care Services determines that they would require an unbundling of Drug Medi-Cal reimbursement rates.~~

~~This bill would require the State Department of Alcohol and Drug Programs, by January 1, 2014, to submit a report to the appropriate policy and fiscal committees of the Legislature regarding the addition of buprenorphine to Drug Medi-Cal required by this bill.~~

This bill would establish a buprenorphine medication assisted treatment pilot program under Drug Medi-Cal, commencing January 1, 2011, and concluding December 31, 2016, for the purpose of determining the efficacy of buprenorphine in treating opioid addiction. This bill would require all narcotic treatment programs participating

in the pilot program to operate in accordance with prescribed requirements.

This bill would require that, from January 1, 2011, to June 30, 2013, inclusive, that the reimbursement rate for buprenorphine treatment services be equal to the uniform statewide daily reimbursement rate for methadone. Prior to July 1, 2013, the State Department of Alcohol and Drug Programs would be required to set the uniform statewide daily reimbursement rate for buprenorphine for the remainder of the pilot program based on specified criteria.

Existing law authorizes licensed narcotic treatment programs to use methadone and LAAM for replacement narcotic therapy.

This bill would, in addition, authorize the use of buprenorphine and any other federally approved controlled substances used for the purpose of narcotic replacement treatment.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 3.5 (commencing with Section 11758.50)
2 is added to Part 1 of Division 10.5 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 3.5. BUPRENORPHINE MEDICATION ASSISTED
6 TREATMENT PILOT PROGRAM

7
8 11758.50. For the purposes of this chapter, "buprenorphine"
9 means buprenorphine products or combination products approved
10 by the federal Food and Drug Administration for maintenance or
11 detoxification of opioid dependence.

12 11758.51. (a) There is established, commencing January 1,
13 2011, and concluding December 31, 2016, under the Medi-Cal
14 Drug Treatment Program (Chapter 3.4 (commencing with Section
15 11758.40), a buprenorphine medication assisted treatment pilot
16 program for the purpose of determining the efficacy of
17 buprenorphine in treating opioid addiction.

18 (b) Participation in the pilot program by narcotic treatment
19 programs, as described in Article 1 (commencing with Section
20 11839) of Chapter 10 of Part 2, is on a voluntary basis. Any
21 licensed narcotic treatment program may participate.

1 (c) All narcotic treatment programs participating in the pilot
2 program shall operate in accordance with the statutory
3 requirements of the Drug Addiction Treatment Act of 2000 (Public
4 Law 106-310, Title 35, Sec. 3502; DATA 2000).

5 (d) Medi-Cal fee-for-service or office-based narcotic treatment
6 programs, as described in Section 11839.6, shall not be affected
7 by this chapter and shall operate as prescribed under state law
8 and in accordance with DATA 2000.

9 11758.52. (a) It is the intent of the Legislature that this chapter
10 not result in the unbundling of reimbursement rates for services
11 provided under the Medi-Cal Drug Treatment Program.

12 (b) Reimbursement for buprenorphine treatment services
13 provided under this chapter shall be as follows:

14 (1) From January 1, 2011, to June 30, 2013, inclusive, the
15 reimbursement rate for buprenorphine shall be equal to the
16 approved uniform statewide daily reimbursement rate for
17 methadone, set annually pursuant to Section 11758.42.
18 Reimbursement for buprenorphine treatment services shall only
19 be paid, as provided in this paragraph, if the narcotic treatment
20 program agrees to receive the reimbursement as payment in full
21 for the buprenorphine treatment services provided.

22 (2) Prior to July 31, 2013, the department shall set the uniform
23 statewide daily reimbursement rate for buprenorphine treatment
24 services to be used for the remainder of the pilot program. The
25 uniform statewide daily reimbursement rate for buprenorphine
26 shall be based on utilization data reported to the Department of
27 Justice pursuant to DATA 2000, and reported to the department
28 pursuant to subdivision (b) of Section 11758.53. The department's
29 annual rate setting for narcotic replacement and medication
30 assisted therapy services shall include the uniform statewide daily
31 reimbursement rate for buprenorphine treatment services.

32 11758.53. (a) For the purposes of providing buprenorphine
33 treatment services under this chapter, narcotic treatment programs
34 participating in the program shall be exempt from state and federal
35 statutes and regulations related to narcotic treatment programs.

36 (b) Narcotic treatment programs participating in the pilot
37 program shall report utilization data to the department, and to the
38 Department of Justice pursuant to DATA 2000, every six months.
39 Notwithstanding any other provision of law, the pilot program
40 shall be exempt from cost reporting requirements.

1 (c) Pursuant to subdivision (j) of Section 11755, the department
2 shall include the utilization data for buprenorphine services in its
3 annual preparation of the budget.

4 11758.54. (a) This chapter shall remain in effect only until
5 January 1, 2017, and as of that date is repealed, unless a later
6 enacted statute, that is enacted before January 1, 2017, deletes or
7 extends that date.

8 (b) It is the intent of the Legislature that, prior to January 1,
9 2017, the Legislature review the utilization data for buprenorphine
10 treatment services provided under this chapter and determine
11 whether buprenorphine treatment services shall continue to be
12 provided under the Medi-Cal Drug Treatment Program.

13 ~~SECTION 1. Section 11758.42 of the Health and Safety Code~~
14 ~~is amended to read:~~

15 ~~11758.42. (a) For purposes of this chapter, the following~~
16 ~~definitions shall apply:~~

17 (1) ~~“Buprenorphine” means buprenorphine or buprenorphine~~
18 ~~combination products approved by the federal Food and Drug~~
19 ~~Administration for maintenance or detoxification of opioid~~
20 ~~dependence.~~

21 (2) ~~“LAAM” means levoalphacetylmethadol.~~

22 (b) (1) (A) ~~The department shall establish separate narcotic~~
23 ~~replacement therapy dosing fees for methadone, LAAM, and~~
24 ~~buprenorphine.~~

25 (B) ~~For purposes of establishing the dosing fees, the department~~
26 ~~shall include comprehensive services that include physician and~~
27 ~~medication services.~~

28 (2) ~~In addition to the narcotic replacement therapy dosing fee~~
29 ~~provided for pursuant to paragraph (1), narcotic treatment programs~~
30 ~~shall be reimbursed for the ingredient costs of methadone or LAAM~~
31 ~~dispensed to Medi-Cal beneficiaries. These costs may be~~
32 ~~determined on an average daily dose of methadone or LAAM, as~~
33 ~~set forth by the department, in consultation with the State~~
34 ~~Department of Health Care Services.~~

35 (c) ~~Reimbursement for narcotic replacement therapy dosing and~~
36 ~~ancillary services provided by narcotic treatment programs shall~~
37 ~~be based on a per capita uniform statewide daily reimbursement~~
38 ~~rate for each individual patient, as established by the department,~~
39 ~~in consultation with the State Department of Health Care Services.~~

40 ~~The uniform statewide daily reimbursement rate for narcotic~~

1 replacement therapy dosing and ancillary services shall be based
2 upon, where available and appropriate, all of the following:

3 (1) The outpatient rates for the same or similar services under
4 the fee-for-service Medi-Cal program.

5 (2) Cost report data.

6 (3) Other data deemed reliable and relevant by the department.

7 (4) The rate studies completed pursuant to Section 54 of
8 Assembly Bill 3483 of the 1995-96 Regular Session of the
9 Legislature.

10 (d) The uniform statewide daily reimbursement rate for ancillary
11 services shall not exceed, for individual services or in the
12 aggregate, the outpatient rates for the same or similar services
13 under the fee-for-service Medi-Cal program.

14 (e) The uniform statewide daily reimbursement rate shall be
15 established after consultation with narcotic treatment program
16 providers and county alcohol and drug program administrators.

17 (f) Reimbursement for narcotic treatment program services shall
18 be limited to those services specified in state law and state and
19 federal regulations governing the licensing and administration of
20 narcotic treatment programs. These services shall include, but are
21 not limited to, all of the following:

22 (1) Admission, physical evaluation, and diagnosis.

23 (2) Drug screening.

24 (3) Pregnancy tests.

25 (4) Narcotic replacement therapy dosing.

26 (5) Intake assessment, treatment planning, and counseling
27 services. Frequency of counseling or medical psychotherapy,
28 outcomes, and rates shall be addressed through regulations adopted
29 by the department. For purposes of this paragraph, these services
30 include, but are not limited to, substance abuse services to pregnant
31 and postpartum Medi-Cal beneficiaries.

32 (g) Reimbursement under this section shall be limited to claims
33 for narcotic treatment program services at the uniform statewide
34 daily reimbursement rate for these services. These rates shall be
35 exempt from the requirements of Section 14021.6 of the Welfare
36 and Institutions Code.

37 (h) (1) Reimbursement to narcotic treatment program providers
38 shall be limited to the lower of either the uniform statewide daily
39 reimbursement rate, pursuant to subdivision (e), or the provider's

1 usual and customary charge to the general public for the same or
2 similar service.

3 (2) (A) Reimbursement paid by a county to a narcotic treatment
4 program provider for services provided to any person subject to
5 Section 1210.1 or 3063.1 of the Penal Code, and for which the
6 individual client is not liable to pay, does not constitute a usual
7 and customary charge to the general public for the purposes of this
8 section.

9 (B) Subparagraph (A) does not constitute a change in, but is
10 declaratory of, existing law.

11 (i) No program shall be reimbursed for services not rendered
12 to or received by a patient of a narcotic treatment program.

13 (j) Reimbursement for narcotic treatment program services
14 provided to substance abusers shall be administered by the
15 department and counties electing to participate in the program.
16 Utilization and payment for these services shall be subject to
17 federal Medicaid and state utilization and audit requirements.

18 (k) The amendments made to this section by the act that added
19 this subdivision shall not be implemented if the Director of Health
20 Care Services determines that the provisions of the act that added
21 this subdivision would require an unbundling of Drug Medi-Cal
22 reimbursement rates.

23 (l) This section shall remain in effect only until January 1, 2015,
24 and as of that date is repealed, unless a later enacted statute, that
25 is enacted before January 1, 2015, deletes or extends that date.

26 SEC. 2. Section 11758.42 is added to the Health and Safety
27 Code, to read:

28 11758.42. (a) For purposes of this chapter, "LAAM" means
29 levoalphacetylmethadol.

30 (b) (1) The department shall establish a narcotic replacement
31 therapy dosing fee for methadone and LAAM.

32 (2) In addition to the narcotic replacement therapy dosing fee
33 provided for pursuant to paragraph (1), narcotic treatment programs
34 shall be reimbursed for the ingredient costs of methadone or LAAM
35 dispensed to Medi-Cal beneficiaries. These costs may be
36 determined on an average daily dose of methadone or LAAM, as
37 set forth by the department, in consultation with the State
38 Department of Health Care Services.

39 (c) Reimbursement for narcotic replacement therapy dosing and
40 ancillary services provided by narcotic treatment programs shall

1 be based on a per capita uniform statewide daily reimbursement
2 rate for each individual patient, as established by the department,
3 in consultation with the State Department of Health Care Services.
4 The uniform statewide daily reimbursement rate for narcotic
5 replacement therapy dosing and ancillary services shall be based
6 upon, where available and appropriate, all of the following:

7 (1) The outpatient rates for the same or similar services under
8 the fee-for-service Medi-Cal program.

9 (2) Cost report data.

10 (3) Other data deemed reliable and relevant by the department.

11 (4) The rate studies completed pursuant to Section 54 of
12 Assembly Bill 3483 of the 1995-96 Regular Session of the
13 Legislature.

14 (d) The uniform statewide daily reimbursement rate for ancillary
15 services shall not exceed, for individual services or in the
16 aggregate, the outpatient rates for the same or similar services
17 under the fee-for-service Medi-Cal program.

18 (e) The uniform statewide daily reimbursement rate shall be
19 established after consultation with narcotic treatment program
20 providers and county alcohol and drug program administrators.

21 (f) Reimbursement for narcotic treatment program services shall
22 be limited to those services specified in state law and state and
23 federal regulations governing the licensing and administration of
24 narcotic treatment programs. These services shall include, but are
25 not limited to, all of the following:

26 (1) Admission, physical evaluation, and diagnosis.

27 (2) Drug screening.

28 (3) Pregnancy tests.

29 (4) Narcotic replacement therapy dosing.

30 (5) Intake assessment, treatment planning, and counseling
31 services. Frequency of counseling or medical psychotherapy,
32 outcomes, and rates shall be addressed through regulations adopted
33 by the department. For purposes of this paragraph, these services
34 include, but are not limited to, substance abuse services to pregnant
35 and postpartum Medi-Cal beneficiaries.

36 (g) Reimbursement under this section shall be limited to claims
37 for narcotic treatment program services at the uniform statewide
38 daily reimbursement rate for these services. These rates shall be
39 exempt from the requirements of Section 14021.6 of the Welfare
40 and Institutions Code.

1 ~~(h) (1) Reimbursement to narcotic treatment program providers~~
2 ~~shall be limited to the lower of either the uniform statewide daily~~
3 ~~reimbursement rate, pursuant to subdivision (c), or the provider's~~
4 ~~usual and customary charge to the general public for the same or~~
5 ~~similar service.~~

6 ~~(2) (A) Reimbursement paid by a county to a narcotic treatment~~
7 ~~program provider for services provided to any person subject to~~
8 ~~Section 1210.1 or 3063.1 of the Penal Code, and for which the~~
9 ~~individual client is not liable to pay, does not constitute a usual~~
10 ~~and customary charge to the general public for the purposes of this~~
11 ~~section.~~

12 ~~(B) Subparagraph (A) does not constitute a change in, but is~~
13 ~~declaratory of, existing law.~~

14 ~~(i) No program shall be reimbursed for services not rendered~~
15 ~~to or received by a patient of a narcotic treatment program.~~

16 ~~(j) Reimbursement for narcotic treatment program services~~
17 ~~provided to substance abusers shall be administered by the~~
18 ~~department and counties electing to participate in the program.~~
19 ~~Utilization and payment for these services shall be subject to~~
20 ~~federal Medicaid and state utilization and audit requirements.~~

21 ~~(k) This section shall become operative on January 1, 2015.~~

22 ~~SEC. 3. Section 11758.46 of the Health and Safety Code is~~
23 ~~amended to read:~~

24 ~~11758.46. (a) For purposes of this section, "Drug Medi-Cal~~
25 ~~services" means all of the following services, administered by the~~
26 ~~department, and to the extent consistent with state and federal law:~~

27 ~~(1) Narcotic treatment program services, as set forth in Section~~
28 ~~11758.42.~~

29 ~~(2) Day care rehabilitative services.~~

30 ~~(3) Perinatal residential services for pregnant women and women~~
31 ~~in the postpartum period.~~

32 ~~(4) Naltrexone services.~~

33 ~~(5) Outpatient drug-free services.~~

34 ~~(6) Buprenorphine services, when they are administered by a~~
35 ~~licensed narcotic treatment program and they are ordered or~~
36 ~~prescribed by a physician who complies with federal requirements~~
37 ~~and works under the license of the narcotic treatment program.~~

38 ~~(b) Upon federal approval of a federal Medicaid state plan~~
39 ~~amendment authorizing federal financial participation in the~~
40 ~~following services, and subject to appropriation of funds, "Drug~~

1 ~~Medi-Cal services” shall also include the following services,~~
2 ~~administered by the department, and to the extent consistent with~~
3 ~~state and federal law:~~

4 ~~(1) Notwithstanding subdivision (a) of Section 14132.90 of the~~
5 ~~Welfare and Institutions Code, day care habilitative services,~~
6 ~~which, for purposes of this paragraph, are outpatient counseling~~
7 ~~and rehabilitation services provided to persons with alcohol or~~
8 ~~other drug abuse diagnoses.~~

9 ~~(2) Case management services, including supportive services~~
10 ~~to assist persons with alcohol or other drug abuse diagnoses in~~
11 ~~gaining access to medical, social, educational, and other needed~~
12 ~~services.~~

13 ~~(3) Aftercare services.~~

14 ~~(c) (1) Annually, the department shall publish procedures for~~
15 ~~contracting for Drug Medi-Cal services with certified providers~~
16 ~~and for claiming payments, including procedures and specifications~~
17 ~~for electronic data submission for services rendered.~~

18 ~~(2) The department, county alcohol and drug program~~
19 ~~administrators, and alcohol and drug service providers shall~~
20 ~~automate the claiming process and the process for the submission~~
21 ~~of specific data required in connection with reimbursement for~~
22 ~~Drug Medi-Cal services, except that this requirement applies only~~
23 ~~if funding is available from sources other than those made available~~
24 ~~for treatment or other services.~~

25 ~~(d) A county or a contractor for the provision of Drug Medi-Cal~~
26 ~~services shall notify the department, within 30 days of the receipt~~
27 ~~of the county allocation, of its intent to contract, as a component~~
28 ~~of the single state-county contract, and provide certified services~~
29 ~~pursuant to Section 11758.42, for the proposed budget year. The~~
30 ~~notification shall include an accurate and complete budget proposal,~~
31 ~~the structure of which shall be mutually agreed to by county alcohol~~
32 ~~and drug program administrators and the department, in the format~~
33 ~~provided by the department, for specific services, for a specific~~
34 ~~time period, and including estimated units of service, estimated~~
35 ~~rate per unit consistent with law and regulations, and total estimated~~
36 ~~cost for appropriate services.~~

37 ~~(e) (1) Within 30 days of receipt of the proposal described in~~
38 ~~subdivision (d), the department shall provide, to counties and~~
39 ~~contractors proposing to provide Drug Medi-Cal services in the~~
40 ~~proposed budget year, a proposed multiple-year contract, as a~~

1 component of the single state-county contract, for these services;
2 a current utilization control plan, and appropriate administrative
3 procedures.

4 (2) A county contracting for alcohol and drug services shall
5 receive a single state-county contract for the net negotiated amount
6 and Drug Medi-Cal services.

7 (3) Contractors contracting for Drug Medi-Cal services shall
8 receive a Drug Medi-Cal contract.

9 (f) (1) Upon receipt of a contract proposal pursuant to
10 subdivision (d), a county and a contractor seeking to provide
11 reimbursable Drug Medi-Cal services and the department may
12 begin negotiations and the process for contract approval.

13 (2) If a county does not approve a contract by July 1 of the
14 appropriate fiscal year, in accordance with subdivisions (c) to (e);
15 inclusive, the county shall have 30 additional days in which to
16 approve a contract. If the county has not approved the contract by
17 the end of that 30-day period, the department shall contract directly
18 for services within 30 days.

19 (3) Counties shall negotiate contracts only with providers
20 certified to provide reimbursable Drug Medi-Cal services and that
21 elect to participate in this program. Upon contract approval by the
22 department, a county shall establish approved contracts with
23 certified providers within 30 days following enactment of the
24 annual Budget Act. A county may establish contract provisions to
25 ensure interim funding pending the execution of final contracts;
26 multiple-year contracts pending final annual approval by the
27 department, and, to the extent allowable under the annual Budget
28 Act, other procedures to ensure timely payment for services.

29 (g) (1) For counties and contractors providing Drug Medi-Cal
30 services, pursuant to approved contracts, and that have accurate
31 and complete claims, reimbursement for services from state General
32 Fund moneys shall commence no later than 45 days following the
33 enactment of the annual Budget Act for the appropriate state fiscal
34 year.

35 (2) For counties and contractors providing Drug Medi-Cal
36 services, pursuant to approved contracts, and that have accurate
37 and complete claims, reimbursement for services from federal
38 Medicaid funds shall commence no later than 45 days following
39 the enactment of the annual Budget Act for the appropriate state
40 fiscal year.

~~(3) The State Department of Health Care Services and the department shall develop methods to ensure timely payment of Drug Medi-Cal claims.~~

~~(4) The State Department of Health Care Services, in cooperation with the department, shall take steps necessary to streamline the billing system for reimbursable Drug Medi-Cal services, to assist the department in meeting the billing provisions set forth in this subdivision.~~

~~(h) The department shall submit a proposed interagency agreement to the State Department of Health Care Services by May 1 for the following fiscal year. Review and interim approval of all contractual and programmatic requirements, except final fiscal estimates, shall be completed by the State Department of Health Care Services by July 1. The interagency agreement shall not take effect until the annual Budget Act is enacted and fiscal estimates are approved by the State Department of Health Care Services. Final approval shall be completed within 45 days of enactment of the Budget Act.~~

~~(i) (1) A county or a provider certified to provide reimbursable Drug Medi-Cal services, that is contracting with the department, shall estimate the cost of those services by April 1 of the fiscal year covered by the contract, and shall amend current contracts, as necessary, by the following July 1.~~

~~(2) A county or a provider, except for a provider to whom subdivision (j) applies, shall submit accurate and complete cost reports for the previous state fiscal year by November 1, following the end of the state fiscal year. The department may settle cost for Drug Medi-Cal services, based on the cost report as the final amendment to the approved single state-county contract.~~

~~(j) Certified narcotic treatment program providers, that are exclusively billing the state or the county for services rendered to persons subject to Section 1210.1 of the Penal Code, Section 3063.1 of the Penal Code, or Section 11758.42 shall submit accurate and complete performance reports for the previous state fiscal year by November 1 following the end of that state fiscal year. A provider to which this subdivision applies shall estimate its budgets using the uniform state daily reimbursement rate. The format and content of the performance reports shall be mutually agreed to by the department, the County Alcohol and Drug Program~~

1 ~~Administrators Association of California, and representatives of~~
2 ~~the treatment providers.~~

3 ~~(k) The amendments made to this section by the act that added~~
4 ~~this subdivision shall not be implemented if the Director of Health~~
5 ~~Care Services determines that the provisions of the act that added~~
6 ~~this subdivision would require an unbundling of Drug Medi-Cal~~
7 ~~reimbursement rates.~~

8 ~~(l) This section shall remain in effect only until January 1, 2015,~~
9 ~~and as of that date is repealed, unless a later enacted statute, that~~
10 ~~is enacted before January 1, 2015, deletes or extends that date.~~

11 SEC. 4. ~~Section 11758.46 is added to the Health and Safety~~
12 ~~Code, to read:~~

13 ~~11758.46. (a) For purposes of this section, “Drug Medi-Cal~~
14 ~~services” means all of the following services, administered by the~~
15 ~~department, and to the extent consistent with state and federal law:~~

16 ~~(1) Narcotic treatment program services, as set forth in Section~~
17 ~~11758.42.~~

18 ~~(2) Day care rehabilitative services.~~

19 ~~(3) Perinatal residential services for pregnant women and women~~
20 ~~in the postpartum period.~~

21 ~~(4) Naltrexone services.~~

22 ~~(5) Outpatient drug-free services.~~

23 ~~(b) Upon federal approval of a federal Medicaid state plan~~
24 ~~amendment authorizing federal financial participation in the~~
25 ~~following services, and subject to appropriation of funds, “Drug~~
26 ~~Medi-Cal services” shall also include the following services,~~
27 ~~administered by the department, and to the extent consistent with~~
28 ~~state and federal law:~~

29 ~~(1) Notwithstanding subdivision (a) of Section 14132.90 of the~~
30 ~~Welfare and Institutions Code, day care habilitative services,~~
31 ~~which, for purposes of this paragraph, are outpatient counseling~~
32 ~~and rehabilitation services provided to persons with alcohol or~~
33 ~~other drug abuse diagnoses.~~

34 ~~(2) Case management services, including supportive services~~
35 ~~to assist persons with alcohol or other drug abuse diagnoses in~~
36 ~~gaining access to medical, social, educational, and other needed~~
37 ~~services.~~

38 ~~(3) Aftercare services.~~

39 ~~(e) (1) Annually, the department shall publish procedures for~~
40 ~~contracting for Drug Medi-Cal services with certified providers~~

1 and for claiming payments, including procedures and specifications
2 for electronic data submission for services rendered.

3 ~~(2) The department, county alcohol and drug program~~
4 ~~administrators, and alcohol and drug service providers shall~~
5 ~~automate the claiming process and the process for the submission~~
6 ~~of specific data required in connection with reimbursement for~~
7 ~~Drug Medi-Cal services, except that this requirement applies only~~
8 ~~if funding is available from sources other than those made available~~
9 ~~for treatment or other services.~~

10 ~~(d) A county or a contractor for the provision of Drug Medi-Cal~~
11 ~~services shall notify the department, within 30 days of the receipt~~
12 ~~of the county allocation, of its intent to contract, as a component~~
13 ~~of the single state-county contract, and provide certified services~~
14 ~~pursuant to Section 11758.42, for the proposed budget year. The~~
15 ~~notification shall include an accurate and complete budget proposal,~~
16 ~~the structure of which shall be mutually agreed to by county alcohol~~
17 ~~and drug program administrators and the department, in the format~~
18 ~~provided by the department, for specific services, for a specific~~
19 ~~time period, and including estimated units of service, estimated~~
20 ~~rate per unit consistent with law and regulations, and total estimated~~
21 ~~cost for appropriate services.~~

22 ~~(e) (1) Within 30 days of receipt of the proposal described in~~
23 ~~subdivision (d), the department shall provide, to counties and~~
24 ~~contractors proposing to provide Drug Medi-Cal services in the~~
25 ~~proposed budget year, a proposed multiple-year contract, as a~~
26 ~~component of the single state-county contract, for these services,~~
27 ~~a current utilization control plan, and appropriate administrative~~
28 ~~procedures.~~

29 ~~(2) A county contracting for alcohol and drug services shall~~
30 ~~receive a single state-county contract for the net negotiated amount~~
31 ~~and Drug Medi-Cal services.~~

32 ~~(3) Contractors contracting for Drug Medi-Cal services shall~~
33 ~~receive a Drug Medi-Cal contract.~~

34 ~~(f) (1) Upon receipt of a contract proposal pursuant to~~
35 ~~subdivision (d), a county and a contractor seeking to provide~~
36 ~~reimbursable Drug Medi-Cal services and the department may~~
37 ~~begin negotiations and the process for contract approval.~~

38 ~~(2) If a county does not approve a contract by July 1 of the~~
39 ~~appropriate fiscal year, in accordance with subdivisions (e) to (e),~~
40 ~~inclusive, the county shall have 30 additional days in which to~~

1 approve a contract. If the county has not approved the contract by
2 the end of that 30-day period, the department shall contract directly
3 for services within 30 days.

4 ~~(3) Counties shall negotiate contracts only with providers~~
5 ~~certified to provide reimbursable Drug Medi-Cal services and that~~
6 ~~elect to participate in this program. Upon contract approval by the~~
7 ~~department, a county shall establish approved contracts with~~
8 ~~certified providers within 30 days following enactment of the~~
9 ~~annual Budget Act. A county may establish contract provisions to~~
10 ~~ensure interim funding pending the execution of final contracts,~~
11 ~~multiple-year contracts pending final annual approval by the~~
12 ~~department, and, to the extent allowable under the annual Budget~~
13 ~~Act, other procedures to ensure timely payment for services.~~

14 ~~(g) (1) For counties and contractors providing Drug Medi-Cal~~
15 ~~services, pursuant to approved contracts, and that have accurate~~
16 ~~and complete claims, reimbursement for services from state General~~
17 ~~Fund moneys shall commence no later than 45 days following the~~
18 ~~enactment of the annual Budget Act for the appropriate state fiscal~~
19 ~~year.~~

20 ~~(2) For counties and contractors providing Drug Medi-Cal~~
21 ~~services, pursuant to approved contracts, and that have accurate~~
22 ~~and complete claims, reimbursement for services from federal~~
23 ~~Medicaid funds shall commence no later than 45 days following~~
24 ~~the enactment of the annual Budget Act for the appropriate state~~
25 ~~fiscal year.~~

26 ~~(3) The State Department of Health Care Services and the~~
27 ~~department shall develop methods to ensure timely payment of~~
28 ~~Drug Medi-Cal claims.~~

29 ~~(4) The State Department of Health Care Services, in~~
30 ~~cooperation with the department, shall take steps necessary to~~
31 ~~streamline the billing system for reimbursable Drug Medi-Cal~~
32 ~~services, to assist the department in meeting the billing provisions~~
33 ~~set forth in this subdivision.~~

34 ~~(h) The department shall submit a proposed interagency~~
35 ~~agreement to the State Department of Health Care Services by~~
36 ~~May 1 for the following fiscal year. Review and interim approval~~
37 ~~of all contractual and programmatic requirements, except final~~
38 ~~fiscal estimates, shall be completed by the State Department of~~
39 ~~Health Care Services by July 1. The interagency agreement shall~~
40 ~~not take effect until the annual Budget Act is enacted and fiscal~~

1 estimates are approved by the State Department of Health Care
2 Services. Final approval shall be completed within 45 days of
3 enactment of the Budget Act.

4 (i) (1) A county or a provider certified to provide reimbursable
5 Drug Medi-Cal services, that is contracting with the department,
6 shall estimate the cost of those services by April 1 of the fiscal
7 year covered by the contract, and shall amend current contracts,
8 as necessary, by the following July 1.

9 (2) A county or a provider, except for a provider to whom
10 subdivision (j) applies, shall submit accurate and complete cost
11 reports for the previous state fiscal year by November 1, following
12 the end of the state fiscal year. The department may settle cost for
13 Drug Medi-Cal services, based on the cost report as the final
14 amendment to the approved single state-county contract.

15 (j) Certified narcotic treatment program providers, that are
16 exclusively billing the state or the county for services rendered to
17 persons subject to Section 1210.1 of the Penal Code, Section
18 3063.1 of the Penal Code, or Section 11758.42 shall submit
19 accurate and complete performance reports for the previous state
20 fiscal year by November 1 following the end of that state fiscal
21 year. A provider to which this subdivision applies shall estimate
22 its budgets using the uniform state daily reimbursement rate. The
23 format and content of the performance reports shall be mutually
24 agreed to by the department, the County Alcohol and Drug Program
25 Administrators Association of California, and representatives of
26 the treatment providers.

27 (k) This section shall become operative on January 1, 2015.

28 SEC. 5.

29 SEC. 2. Section 11839.2 of the Health and Safety Code is
30 amended to read:

31 11839.2. (a) The following controlled substances are
32 authorized for use in replacement narcotic therapy by licensed
33 narcotic treatment programs:

34 (1)

35 (a) Methadone.

36 (2)

37 (b) Levoalphacetylmethadol (LAAM) as specified in paragraph
38 (10) of subdivision (c) of Section 11055.

39 (3) Buprenorphine, as defined in paragraph (1) of subdivision
40 (a) of Section 11758.42.

~~(b) The amendments made to this section by the act that added this subdivision shall not be implemented if the Director of Health Care Services determines that the provisions of the act that added this subdivision would require an unbundling of Drug Medi-Cal reimbursement rates.~~

~~(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.~~

~~(c) Buprenorphine products or combination products approved by the federal Food and Drug Administration for maintenance or detoxification of opioid dependence.~~

~~(d) Any other federally approved controlled substances used for the purpose of narcotic replacement treatment.~~

~~SEC. 6. Section 11839.2 is added to the Health and Safety Code, to read:~~

~~11839.2. (a) The following controlled substances are authorized for use in replacement narcotic therapy by licensed narcotic treatment programs:~~

~~(1) Methadone.~~

~~(2) Levoalphacetylmethadol (LAAM) as specified in paragraph (10) of subdivision (c) of Section 11055.~~

~~(b) This section shall become operative on January 1, 2015.~~

~~SEC. 7. It is the intent of the Legislature that this act not result in the unbundling of reimbursement rates for Drug Medi-Cal services.~~

~~SEC. 8. (a) The State Department of Alcohol and Drug Programs shall submit a report to the appropriate policy and fiscal committees of the Legislature regarding the addition of buprenorphine to the Medi-Cal Drug Treatment Program (Drug Medi-Cal) required by this act. The report shall include data on all of the following:~~

~~(1) The number of narcotic treatment programs dispensing or administering buprenorphine.~~

~~(2) The number of individuals prescribed buprenorphine through Drug Medi-Cal.~~

~~(3) The total cost of buprenorphine provided through Drug Medi-Cal.~~

~~(4) The average annual cost per person of individuals receiving buprenorphine compared to the average annual cost per person of individuals receiving methadone through Drug Medi-Cal.~~

- 1 ~~(5) The efficacy of buprenorphine in treating opioid addiction.~~
- 2 ~~(b) The report required by this section shall be completed by~~
- 3 ~~the department using existing resources. The report shall be~~
- 4 ~~provided to the appropriate policy and fiscal committees of the~~
- 5 ~~Legislature by January 1, 2014.~~